

**ORIGINAL**

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS SECKAR TO INTERROGATORIES OF  
DAVID B. POPKIN  
(DBP/USPS-T2-1-2  
AND DBP/USPS-T6-1 REDIRECTED FROM WITNESS HAMM)

The United States Postal Service hereby provides responses of witness Seckar to the following interrogatories of David B. Popkin: DBP/USPS-T2-1-2, filed on July 30, 1998; and DBP/USPS-T6-1, filed on July 30, 1998, and redirected from witness Hamm.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

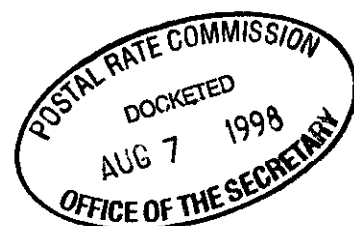
By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



David H. Rubin

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August 7, 1998



**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO  
INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-T2-1**

- a. Confirm that the costs during 1999 for a single sheet of 8.5x11 inch paper inserted in a plain #10 envelope will be 5.935 cents plus postage [1.45 cents for the impression, .49 cents for the paper, 2.72 cents for the envelope, 1.22 cents for the insertion, and .055 cents for transportation].
- b. Confirm that for printing on both sides of a single sheet of paper, the cost will be the same as in subpart [a] plus 1.45 cents for the second impression.
- c. Fully explain any negative responses.
- d. Will these rates be utilized for the tests starting September 1, 1998?
- e. If not, provide the rates that will be utilized.

**RESPONSE:**

- a-b. Confirmed. These are the costs estimated in my testimony.
- c. Not applicable.
- d.-e. No. The fees proposed for the market test (which is now scheduled to begin on October 1, 1998) will be based upon a contract that should be concluded in the near future. See witness Plunkett's testimony (USPS-T-5).

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO  
INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-T2-2**

Witness John Hamm in his testimony [page 1 – lines 15-17] states that the greater the number of impressions, the lower the cost per impression.

- a. Have your rates taken this into account?
- b. If so, provide details and specifics.
- c. If not, explain why not.

**RESPONSE:**

- a. Please note that I did not develop fees or rates in my testimony. Rather, I developed costs. However, my costs do account for economies of scale, which I believe is what you are referencing.
- b. If a person were to obtain one digital printer, needed personnel to operate the printer, a facility in which to place the printer, and the other elements associated with operating the printer, economies of scale are realized by spreading the costs over the maximum amount of volume possible for that printer. If the person were to produce only a few pages on that printer, the cost per page would be much higher, since there would be less volume over which to spread the costs. In my analysis, I have utilized each printer to its fullest possible capacity.
- c. Not applicable.

**RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO  
INTERROGATORY OF DAVID B. POPKIN REDIRECTED FROM  
WITNESS HAMM**

**DBP/USPS-T6-1** On page 1 – lines 15-17 – of your testimony, you indicate that the greater number of impressions, the lower the cost per impression. For the service being proposed by the Postal Service, provide the cost per impression for printing the following number of impressions: 1, 10, 50, 100, 500, 1000, 3000, 5000.

**RESPONSE:**

The analysis presented in Exhibit A of my testimony (USPS-T-2) directly follows from two inputs provided to me — the volume forecasts provided by witness Rothschild, and the definition of full national rollout provided by witness Garvey. Given these inputs, I have estimated a cost per impression associated with a customer's job that requires 1, 10, 50, 100, 500, 1000, 3000, 5000, or more impressions. However, if you are inquiring as to the cost per impression if the service prints a total of 1, 10, 50, 100, 500, 1000, 3000, or 5000 impressions, then the associated cost would be higher as a result of not obtaining the same economies of scale that are realized based on the volume projections provided by witness Rothschild. Additionally, the costs per impression for a service which prints a total of 1, 10, 50, 100, 500, 1000, 3000, or 5000 impressions can not be calculated using the analysis presented in Exhibit A of my testimony because the system that would support such volumes is not defined.

# DECLARATION

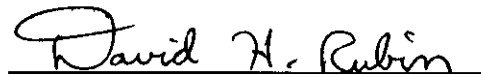
I, Paul G. Seckar, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Paul G Seckar

Dated: 8/7/98

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
David H. Rubin

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